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OBEY SAYS THE ECONOMY IS THE #1 PROBLEM

Calls For More Government Oversight To Keep 'Big Boys' Honest

POLK & BURNETT COUNTY, WI - The number one problem facing the country is the economy, Seventh District Congressman Dave Obey (D-WI) said while in the area today. Obey made several appearances in Polk and Burnett County, including a discussion with constituents at the Country Café in Grantsburg, an up-close look at the new community Library in Frederic, and a visit with his old friend Harvey Stower in Amery.

"We've got more instability in the financial markets than we've had since the great depression and that uncertainty is rippling through the economy," Obey said, noting that we are paying the price for a 30 year long drive by many to turn government regulators from watch dogs into lap dogs. "This Administration and previous Congresses have been hell bent on deregulation. As a result, the government hasn't been keeping the big boys honest and we're seeing the results. We've had speculators gaming the system to drive the cost of energy through the roof so they can make huge profits; and we've had predatory lenders pushing unsustainable mortgages, which has contributed to the housing market collapse."

"We've got to recognize that in a capitalist economy the stability of our markets must be protected and we've got to have a government effective enough to police the conduct of the big boys who don't always play by the rules," Obey said. "The purpose of strong regulators isn't to harass business, it's to guarantee that markets stay open and that everyone gets a fair shot without having the big boys roll all over them. It's when regulators fail that we get the Enrons, the Worldcoms, and the Bear Stearns in the news."

Bush Administration budget policies that borrowed everything in sight for the war in Iraq and tax cuts for millionaires haven't helped, Obey added. "The monumental mismanagement of the economy under George Bush, who turned surpluses inherited from the Clinton Administration into massive deficits, has driven down the value of the dollar, which in turn is responsible for at least one-third of the rise in the cost of gas."

Working to relieve the financial pressure on families

"I know many cynics say there's not a dime's worth of difference between the two parties. For the last year that's been absolutely true. There's been a \$40 billion difference!" Obey said. "That's the amount we were able to move from George Bush's priorities to the nation's." He noted that if Congress had accepted the President's budget last year:

- Vocational education would have been cut by 50 percent.
- All student aid programs, except Pell Grants and Work Study, would have been eliminated.
- Training for medical personnel in children's hospitals would have been cut by 60 percent.
- Rural health programs would have been cut by 60 percent.
- Veterans' health programs would not have been increased by \$7 billion.

"I've never had anybody come up to me and say 'Obey, why don't you cut cancer research,' but that's exactly what the previous Congress did at the President's request - they cut almost a thousand medical research grants from the National Institutes of Health," Obey added. "I'm proud that my Committee blocked the Administration's cuts last year and that we're adding more funding for research this year."

"That's what the budget fight's been about the last two years," Obey said. "Instead of providing \$50 billion more in tax breaks for millionaires, we've pushed for new tax cuts for working families, like the child tax credit. We've been fighting for funding for community health centers and more medical research so that more Americans can get affordable healthcare. To take care of our troops, we've provided the biggest increase in veterans' healthcare funding in history and the largest expansion of GI education benefits since the program was created in 1945. And because we know other families need help with education costs too, we've done more to help working families send their kids to college than any Congress since 1965, by increasing the maximum Pell Grant by \$750 and by adopting a plan to reduce interest rates on student loans from 6% to 3.4% over the next five years."

However, as long as we are spending nearly \$400 million every day on the war in Iraq, \$700 million every day on interest payments on the national debt, \$700 billion every year on imported energy products, and \$50 billion each year on tax cuts for people making over a million dollars a year, we will not have the resources to tackle any of America's problems, Obey warned. "We all need to understand that, and demand change from whoever is elected President in November," he concluded.

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